IN THE

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1965.

No. 1046.

PEOPLE OF THE STATE OF ILLINOIS ex rel. GEORGE MUSSO, Madison County Treasurer and Ex-Officio Collector of Taxes of Madison County, Illinois,
Appellant,

vs.

CHICAGO, BURLINGTON AND QUINCY RR. CO., CHICAGO & NORTHWESTERN RR. CO., GULF, MOBILE AND OHIO RR. CO., CHICAGO AND EASTERN ILLINOIS RR. CO., ILLINOIS CENTRAL RR. CO., NEW YORK CENTRAL RR. CO., NEW YORK, CHICAGO & ST. LOUIS RR. CO., WABASH RR. CO., PENNSYLVANIA RR. CO., ILLINOIS TERMINAL RR. CO., ALTON & SOUTHERN RR. CO., and TERMINAL RAILROAD ASSOCIATION OF ST. LOUIS,
Appellees.

On Appeal from the Supreme Court of Illinois.

BRIEF FOR SANGAMON COUNTY, ILLINOIS.

SANGAMON COUNTY, ILLINOIS,
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BRIEF FOR SANGAMON COUNTY, ILLINOIS, AS AMICUS CURIAE IN OPPOSITION TO APPELLEES' MOTION TO DISMISS OR AFFIRM.

Sangamon County, Illinois, with leave of this Court, respectfully submits this brief in opposition to Appellees' Motion to Dismiss or Affirm:

1. Sangamon County tax districts have levied more than $300,000 in property taxes 1958-1962 which have been collected from the Chicago and Northwestern and the Gulf, Mobile & Ohio Railroad Companies but have been withheld from the tax districts as the result of tax objections filed in court by these two railroads. These objections are pending. Plenary consideration by this court of the issues in this case would affect the distribution of these tax monies.

2. The property tax assessments of railroad property by the Department of Revenue for Sangamon County 1957-1962 were as follows:

1957	$20,454,896
1958	$19,867,809
1959	$18,954,304
1960	$18,297,625
1961	$17,947,482
1962	$16,976,934
1963	$10,960,797
1964	$ 9,530,058
1965	$ 9,639,391

The judgments appealed to this Court imply that the assessments through 1962 were at 100% of value. Such implication serves to maximize refunds to the above-mentioned railroads in pending litigation in Sangamon County.

3. The legislature ordered in 1963 that the Director of Revenue beginning in 1963 equalize railroad assessments according to the statewide level of assessments of local real estate assessments after equalization by the Department of Revenue. The Director has done this in 1963 and 1964. First he determined total value of railroad property and then decreased the valuation by 50% to arrive at statewide assessment. The figures are as follows:

	Total State Valuation of Rr. Property	Total State Assessment of Rr. Property
1963	$1,377,000,000	$688,500,000
1964	$1,192,749,000	$596,637,400

We invite the Court to note how the industry valuation in 1964 decreased about 12% under 1963's valuation, even though there was explicit equalization.

A vivid example of the constitutional command of the Supreme Court of Illinois to the Director of Revenue to deflate railroad property valuation exists in the case of the Chicago & Northwestern.

4. The Director of Revenue in 1963 valued the property of the Chicago & Northwestern without the use of the "judgment factor," and then equalized the figure by 50%. This is proved in the record now in this Court. The railroad sued the Director maintaining the decisions of the Supreme Court of Illinois required the Director of Revenue to use in valuation the "judgment factor" reduction, which in 1962 was $43,000,000. *People ex. rel. Chi. & No. West. Rr. Company v. Hulman,* 201 N. E. 2d 103 (1964). The Supreme Court of Illinois did not decide the case on the merits and remanded the case to the Department of Revenue. In the Spring of 1965 the Director substantially decreased the Northwestern's valuation and equalized assessment for 1963 and at about the same time resigned. The figures are:

Chicago & Northwestern (State of Illinois Figures).

	Valuation	Assessment
1963 Orig.	$114,000,000	$57,000,000
Revised	?	?
1964	$ 85,610,000	$42,805,000
1965	$ 85,610,000	$42,805,000

The 1964 and 1965 figures are taken from official publications: Peoria Star Journal for November 26, 1965 and from the Southern Illinoisan, December 21, 1964, at Carbondale.

Our information is that the Chicago & Northwestern in the last ten years has grown very large and profitable by merger, acquisition and able management, yet its state assessment has been steadily decreasing since 1950.

5. The railroad assessments in Sangamon County for 1963 were $10,960,797, and the figure dropped to $9,530,058 in 1964.

6. In 1958, the assessment of GM&O railroad property certified by the Department of Revenue to Sangamon County was $4,450,496; in 1959, $4,331,845; in 1960, $4,248,285; 1961, $4,211,714; 1962, $3,581,262; 1963, $1,925,402; 1964, $1,449,557; 1965, $1,446,436. For Chicago and Northwestern in Sangamon County: 1958, $1,158,995; in 1959, $1,127,130; 1960, $1,109,870; 1961, $1,076,420; 1962, $1,013,496; 1963, $785,032; 1964, $556,700; 1965, $556,653.

7. The decisions appealed to this Court by the People of Illinois emerge from the uniformity clause of the Illinois Constitution and the Department of Revenue is controlled by them in finding railroad property valuations for the future in spite of the fact that the Department is equalizing the valuations by 50%.

CONCLUSION.

For the reasons stated, Sangamon County respectfully prays that this Court overrule Appellees' Motion to Dismiss or Affirm, and grant plenary consideration.

Respectfully submitted,

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